



Dave Yost • Auditor of State





# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Facility Governing Board  
Northeast Ohio Community Alternative Program  
Trumbull County  
411 Pine Ave. SE  
Warren, OH 44483

We have performed the procedures enumerated below, with which the Facility Governing Board and the management of Northeast Ohio Community Alternative Program (the Center) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended June 30, 2016 and 2015, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

### Cash

1. We tested the mathematical accuracy of the June 30, 2016 and June 30, 2015 Offender Personal Funds, Vending/Telephone Commissions bank reconciliations. We found no exceptions.
2. We agreed the July 1, 2014 beginning fund balances recorded in the Balance Sheet Detail and County Monthly Financial Statements, to the June 30, 2014 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the July 1, 2015 beginning fund balances recorded in the Balance Sheet Detail to the June 30, 2015 balances in the Balance Sheet Detail. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the June 30, 2016 and 2015 fund cash balances reported in the Balance Sheet Detail reports. The amounts agreed.
4. We confirmed the June 30, 2016 bank account balance with the Center's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the June 30, 2016 bank reconciliation without exception.

### **Cash - (Continued)**

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the June 30, 2016 bank reconciliation:
  - a. We traced each debit to the subsequent July bank statement. We found no exceptions.
  - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to June 30. We noted no exceptions.
6. Trumbull County is custodian for the Center's deposits and therefore the County's deposit and investment pool holds the Center's assets. We compared the Center's fund balances reported on its June 30, 2016 QuickBooks Monthly Cash report to the balances reported in Trumbull County's accounting records. The amounts agreed.
7. We agreed the July 1, 2014 beginning fund balances recorded in the County Monthly Financial Statement to the July 1, 2014 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the July 1, 2015 beginning fund balances recorded in the County Monthly Financial Statement to the June 30, 2015 balances in the County Monthly Financial Statement. We found no exceptions.

### **Intergovernmental and Other Confirmable Cash Receipts**

1. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2016 and five from 2015.
  - a. We compared the amount from the above reports to the amount recorded in the Transaction Detail by Account report. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

### **Self Insured Health Insurance**

1. We haphazardly selected one disbursement in 2016 and one in 2015 to IMA/UltraBenefits, the service organization that processes the Center's healthcare self-insurance claims, and agreed the amount to the monthly invoice from IMA/UltraBenefits. We also compared the costs on those IMA/UltraBenefits invoices to the Annual Stop Loss Insurance Contract and the Administrative Contract. We found the insurance company incorrectly billed for terminal liability in 2015 for \$1.25 per covered employee for a total error of \$698.75.
2. We scanned the Center's 2016 and 2015 Balance Sheet Detail Reports confirming there were twelve payments made each year to IMA/UltraBenefits. We found no exceptions.
3. We haphazardly selected five employees' enrollment forms from 2016 and five employees' enrollment forms from 2015 and compared them to a monthly invoice from IMA/UltraBenefits to determine the single/family costs agreed to the Annual Stop Loss Insurance Contracts and the Administrative Contract. We found no exceptions.
4. We haphazardly selected one bi-weekly check run from UltraBenefits in 2016 and one in 2015 and agreed the check numbers and payment amounts to the Center's Health Insurance bank statements. We also scanned the Center's Health Insurance bank statements noting the proper number of transfers in 2016 and 2015. We found no exceptions.

**Debt**

1. The prior audit agreed-upon procedures documentation disclosed no debt outstanding as of June 30, 2014.
2. We inquired of management, and scanned the Transaction Detail by Account report and Income vs. Expense Report for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. We noted no new debt issuances, nor any debt payment activity during 2016 or 2015.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 from the Payroll Earnings Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Earnings Report to supporting documentation (salary), payroll turnaround sheets. We found no exceptions.
  - b. We determined whether the fund and account code to which the check was posted were reasonable based on the employees' duties as documented in the employee staff listing. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended June 30, 2016 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of fiscal year 2016. We noted the following:

| <b>Withholding<br/>(plus employer share,<br/>where applicable)</b> | <b>Date<br/>Due</b> | <b>Date<br/>Paid</b> | <b>Amount Due</b> | <b>Amount<br/>Paid</b> |
|--|---------------------|----------------------|-------------------|------------------------|
| Federal income taxes & Medicare                                    | June 29, 2016       | June 24, 2016        | \$13,151.81       | \$13,151.81            |
| State income taxes   | June 27, 2016       | June 24, 2016        | \$2,283.01        | \$2,283.01             |
| OPERS retirement   | July 30, 2016       | July 26, 2016        | \$50,939.69       | \$50,939.69            |

3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Payroll Earnings Report:
  - a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The Center's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

### **Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Weekly Disbursements Report for the year ended June 30, 2016 and ten from the year ended 2015 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Weekly Disbursements Report and to the names and amounts on the supporting invoices. We found no exceptions.
  - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

### **Other Compliance**

1. Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the Entity filed their financial information within the allotted timeframe for the years ended December 31, 2016 and 2015. The 2015 financial information was filed on February 19, 2016 which was not within the allotted timeframe. No exception noted for FY2016.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Center's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the Center, and is not intended to be, and should not be used by anyone other than these specified parties.



**Dave Yost**  
Auditor of State

Columbus, Ohio

December 2, 2016



# Dave Yost • Auditor of State

**NORTHEAST OHIO COMMUNITY ALTERNATIVE PROGRAM (NEOCAP)**

**TRUMBULL COUNTY**

## **CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 22, 2016**